(e.g., serious medical emergency for a family member). In addition, as a threshold matter, the transfer of structured settlement payment rights must be permissible under applicable law, including State law. The Act is not intended by way of the hardship exception to the excise tax or otherwise to override any Federal or State law prohibition or restriction on the transfer of the payment rights or to authorize factoring of payment rights that are not transferable under Federal or State law. For example, the States in general prohibit the factoring of workers' compensation benefits. In addition, the State laws often prohibit or directly restrict transfers of recoveries in various types of personal injury cases, such as wrongful death and medical malpractice.

The relevant court for purposes of the hardship exception would be the original court which had jurisdiction over the underlying action or proceeding that was resolved by means of the structured settlement. In the event that no action had been brought prior to the settlement, the relevant court would be that which would have had jurisdiction over the claim that is the subject of the structured settlement or which would have jurisdiction by reason of the residence of the structured settlement recipient. In those limited instances in which an administrative authority adjudicates, resolves, or otherwise has primary jurisdiction over the claim (e.g., the Vaccine Injury Compensation Trust Fund), the hardship matter would be the province of that applicable administrative authority.

3. Need to Protect Tax Treatment of Original Structured Settlement

In the limited instances of extraordinary and unanticipated hardship determined by court order to warrant relief under the hardship exception, adverse tax consequences should not be visited upon the other parties to the original structured settlement. in addition, despite the anti-assignment provisions included in the structured settlement agreements and the applicability of a stringent excise tax on the factoring company, there may be a limited number of non-hardship factoring transactions that still go forward. If the structured settlement tax rules under I.R.C. §§72, 130 and 461(h) had been satisfied at the time of the structured settlement, the original tax treatment of the other parties to the settlement—i.e., the settling defendant (and its liability insurer) and the Code section 130 assignee—should not be jeopardized by a third party transaction that occurs years later and likely unbeknownst to these other parties to the original settlement.

Accordingly, the Act would clarify that if the structured settlement tax rules under I.R.C. §§72, 130, and 461(h) had been satisfied at the time of the structured settlement, the section 130 exclusion of the assignee, and section 461(h) deduction of the settling defendant, and the Code section 72 status of the annuity being used to fund the periodic payments would remain undisturbed.

That is, the assignee's exclusion of income under Code section 130 arising from satisfaction of all of the section 130 qualified assignment rules at the time the structured settlement was entered into years earlier would not be challenged. Similarly, the settling defendant's deduction under Code section 461(h) of the amount paid to the assignee to assume the liability would not be challenged. Finally, the status under Code section 72 of the annuity being used to fund the periodic payments would remain undisturbed.

The Act provides the Secretary of the Treasury with regulatory authority to clarify the treatment of a structured settlement recipient who engages in a factoring transaction. This regulatory authority is provided to enable Treasury to address issues raised regarding the treatment of future periodic payments received by the structured settlement recipient where only a portion of the payments have been factored away, the treatment of the lump sum received in a factoring transaction qualifying for the hardship exception, and the treatment of the lump sum received in the non-hardship situation. It is intended that where the requirements of section 130 are satisfied at the time the structured settlement is entered into, the existence of the hardship exception to the excise tax under the Act shall not be construed as giving rise to any concern over constructive receipt of income of the injured victim at the time of the structured settlement.

4. Tax Information Reporting Obligations With Respect to a Structured Settlement Factoring Transaction

The Act would clarify the tax reporting obligations of the person making the structured settlement payments in the event that a structured settlement factoring transaction occurs. The Act adopts a new section of the Code that is intended to govern the payor's tax reporting obligations in the event of a factoring transaction.

In the case of a court-approved transfer of structured settlement payments of which the person making the payments has actual notice and knowledge, the fact of the transfer and the identity of the acquirer clearly will be known. Accordingly, it is appropriate for the person making the structured settlement payments to make such return and to furnish such tax information statement to the new recipient of the payments as would be applicable under the annuity information reporting procedures of Code section 6041 (*e.g.*, Form 1099–R), because the payor will have the information necessary to make such return and to furnish such statement.

Despite the anti-assignment restrictions applicable to structured settlements and the applicability of a stringent excise tax, there may be a limited number of non-hardship factoring transactions that still go forward. In these instances, if the person making the structured settlement payments has actual notice and knowledge that a structured settlement factoring transaction has taken place, the payor would be obligated to make such return and to furnish such written statement to the payment recipient at such time, and in such manner and form, as the Secretary of the Treasury shall by regulations provide. In these instances the payor may have incomplete information regarding the factoring transaction, and hence a tailored reporting procedure under Treasury regulations is necessary.

The person making the structured settlement payments would not be subject to any tax reporting obligation if that person lacked such actual notice and knowledge of the factoring transaction.

Under the Act, the term ''acquirer of the structured settlement payment rights'' would be broadly defined to include an individual, trust, estate, partnership, company, or corporation.

The provision of section 3405 regarding withholding would not apply to the person making the structured settlement payments in the event that a structured settlement factoring transaction occurs.

5. Effective Date

The provisions of the Act would be effective with respect to structured settlement factoring transactions occurring after the date of enactment of the Act.

NATIONAL WEATHER SERVICE—OVER 200 YEARS OF FORECASTING, WARNING AND PROTECTING THE AMERICAN PEOPLE

HON. TIM ROEMER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 23, 1998

Mr. ROEMER. Mr. Speaker, I rise to bring to my colleagues' attention the outstanding work of the National Weather Service. Especially during this red-hot summer, we should acknowledge the tremendous work of the National Weather Service to observe, predict, forecast and warn the American people of weather events.

The National Weather Service, as part of the National Oceanic and Atmospheric Administration [NOAA] of the Department of Commerce, utilizes a wide variety of tools, from low-tech to state of the art technology to accurately predict and forecast what will happen in our skies today, tomorrow, and beyond.

It was suggested earlier today that the National Weather Service doesn't have sufficient records of past weather conditions to be able to put this summer's heat wave in proper historical perspective. I would like to remind my colleagues that the NOAA has the world's largest active archive of weather data. Not only can they tell you what the weather was in the 1950's, they can tell you what the temperature and conditions were during the early days of the republic.

How do we now that? The NOAA's National Climatic Data Center has Benjamin Franklin's handwritten observations of the heat and humidity of a Philadelphia summer over 200 years ago.

Not only does the NOAA have an incredible store of historical data, they are receiving 55 gigabytes of new weather information each day—the equivalent of 18 million pages a day.

Armed with this wealth of historical data, and constantly added to and refined with the incorporation of new satellite and computer information, the National Weather Service creates computer models. These models reflect the heritage of past weather systems, to accurately forecast tomorrow's weather. So when the National Weather Service says its going to be hot tomorrow in South Bend, or Dallas or St. Louis, you can count on it.

I commend the NOAA and the NWS on their outstanding work on behalf of the American people.

AMERICA FACES THREAT FROM A BALLISTIC MISSILE ATTACK

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 23, 1998

Mr. GINGRICH. Mr. Speaker, as former Secretary of Defense Donald Rumsfeld pointed out earlier this week, America faces a very real and serious threat from a ballistic missile attack. The bipartisan Rumsfeld commission unanimously concluded that the threat is much greater and the warning time available to defend against that threat is much shorter than the Clinton administration has admitted. Finally, the commission expressed concern that

the ability of our intelligence community to assess these threats is severely deteriorating. I believe that it is now more important than ever to renew our commitment to working to deploy a national missile defense system. I want to bring the following enlightened editorials by William Safire, Frank Gaffney, Jr., and Thomas Moore to the attention of my colleagues which echo the serious concerns expressed by Mr. Rumsfeld and his colleagues on the Commission.

[From the Washington Times; July 21, 1998]

ALARM BELL ON VULNERABILITY TO MISSILES

THE UNITED STATES MUST PROMPTLY BEGIN DEPLOYING DEFENSES AGAINST BALLISTIC MISSILE ATTACK

(By Frank Gaffney, Jr.)

The release last week of a long-awaited ''second opinion'' on the missile threat to the United States more than lived up to high expectations.

The blue-ribbon, bipartisan panel—chartered by Congress and ably led by former Defense Secretary Donald Rumsfeld—unanimously warned that ''the U.S. might well have little or no warning before operational deployment'' of ballistic missiles capable of delivering, for example, Iranian, Iraqi or North Korean weapons of mass destruction against American cities.

This finding stands in stark contrast to the pollyannish, and highly politicized, judgment rendered by the Clinton administration's 1995 National Intelligence Estimate (NIE) on the emerging danger posed by ballistic missiles. Incredibly, that NIE found there would be no threat from long-range ballistic missiles for at least 15 years.

Of course, in order to reach this preposterously sanguine conclusion, the Intelligence Community had to make three heroic assumptions:

(1) Neither Russia nor China—which have such long-range missiles in place today—would pose a danger.

(2) Neither of these nations would help any other state accelerate the acquisition of ballistic missile technology.

(3) And only the continental United States would be considered as targets, since Alaska and Hawaii would be within range of medium-range missiles from Korea.

The Rumsfeld Commission made short work of these assumptions. It noted that Russia and China are both undergoing unpredictable transitions and are actively spreading ballistic missile and other dangerous technologies. (The commission also confirms a recent finding of Sen. Thad Cochran's Governmental Affairs Subcommittee that the United States is itself an important, albeit unintentional, contributor to the hemorrhage of proliferation-sensitive equipment and know-how.)

Perhaps most importantly, Mr. Rumsfeld and his cohorts—including Dr. Berry Blechman, Dr. Richard Garwin and Gen. Lee Butler, individuals expected by the Democrats who appointed them to dissent from any sharp critique of the administration's NIE and, thereby, to neutralize the impact of the commission's findings—addressed themselves to the missile threat to all of the United States. They confirmed that Alaska and Hawaii are at risk in the near-term. The Rumsfeld commissioners went on, however, to point out that missiles now in the inventories of virtually every bad actor on the planet could be readily launched from tramp steamers or other vessels at the vast majority of the American population living within 100 miles of the nation's coastlines.

As columnist William Safire pointed out in the New York Times yesterday, this reality means the United States could be subjected to blackmail, with potentially profound diplomatic and strategic implications. He lays out three frighteningly plausible scenarios in which the use of North Korean, Iraqi or Chinese missiles are threatened to compel American accommodation.

Moreover, Mr. Safire makes explicit a conclusion the Rumsfeld Commission could only imply, given that its mandate was limited to addressing the missile threat, not what should be done in response to it: The United States must promptly begin deploying defenses against ballistic missile attack. Mr. Safire endorses an approach that will produce far more effective anti-missile protection, far faster and far more inexpensively than any other option—by adapting the Navy's AEGIS fleet air defense system to give it robust missile-killing capabilities.

The AEGIS option has been receiving increasing support in recent weeks. A classified study prepared by the Pentagon's Ballistic Missile Defense Organization that has just been released to Congress reportedly confirms the conclusions of an analysis prepared by another blue-ribbon commission sponsored a few years ago by the Heritage Foundation: Sea-based missile defenses are technically feasible and could contribute significantly to protecting the United States—all the United States—as well as America's forces and allies overseas against ballistic missile attack.

The inherent appeal from strategic, technical and fiscal points of view also prompted Jim Nicholson, the chairman of the Republican National Committee, to make prompt deployment of the AEGIS system the centerpiece of a dramatic pronouncement: In these pages on June 21, he invited ''President Clinton, Vice President Al Gore and other Democrats to join [the GOP] and make safeguarding America [against ballistic missile attack] a bipartisan project. If they will not, the Republican Party is prepared to have this become a political issue.''

The problem, as Mr. Safire has pointed out, is that a sea-based missile defense (and indeed, any other that would provide territorial protection of the United States) is inconsistent with the 1972 Anti-Ballistic Missile (ABM) Treaty. Worse yet, the nation would even be denied the ability to adapt the AEGIS system to make effective defenses against short-range missiles if new treaty arrangements negotiated by the Clinton administration and signed in New York last September are ratified.

The good news is that the Senate seems unlikely to go along with these agreements. This is particularly true in light of a new legal memorandum prepared for Heritage and providing analytical backup for the common-sense proposition that the ABM Treaty ceased to exist after the other party, the Soviet Union, ceased to exist. It is hard to believe any responsible Senator would want to adopt new treaty impediments to missile defenses in the grim strategic environment described by the Rumsfeld Commission.

The bad news is that the Clinton administration is proceeding with implementation of the September agreements even though they have yet to be submitted to the Senate for its advice and consent, to say nothing of their having been approved. In a May 1 memorandum, Defense Secretary William Cohen directed that ''formal planning and preparation activities'' to ensure compliance with these accords be undertaken using fiscal 1998 funds. As a practical matter, this means steps that would be non-compliant—for example, developing more capable Navy missile interceptors for the AEGIS system—will be strangled in the crib.

Taken all together, these developments make one thing perfectly clear: The United States will be defended against missile attack. The only question is: Will its defenses be put into place before they are needed, or after? The answer depends on leadership. With the warning given by the Rumsfeld report and the feasible, affordable defense offered by the AEGIS option, there is no excuse for not providing such leadership on a bipartisan basis. Failing that, the Republicans must not shrink from doing so as a ''political issue.''

[From the New York Times, July 20, 1998]

TEAM B VS. C.I.A.—RUMSFELD REPORT: IGNORE AT PERIL

(By William Safire)

WASHINGTON.—Imagine you are the next U.S. President and this crisis arises:

The starving army of North Korea launches an attack on South Korea, imperiling our 30,000 troops. You threaten massive air assault; Pyongyang counterthreatens to put a nuclear missile into Hawaii. You say that would cause you to obliterate North Korea; its undeterred leaders dare you to make the trade. Decide.

Or this crisis: Saddam Hussein invades Saudi Arabia. You warn of Desert Storm II; he says he has a weapon of mass destruction on a ship near the U.S. and is ready to sacrifice Baghdad if you are ready to lose New York. Decide.

Or this: China, not now a rogue state, goes into an internal convulsion and an irrational warlord attacks Taiwan. You threaten to intervene; within 10 minutes, ICBM's are targeted on all major U.S. cities. Decide.

Before you do, remember this: in 1998, the C.I.A. told your predecessor that it was highly unlikely that any rogue state ''except possibly North Korea'' would have a nuclear weapon capable of hitting any of the ''contiguous 48 states'' within 10 to 12 years. (That's some exception; apparently our strategic assessors are untroubled at the prospect of losing Pearl Harbor again.)

You have no missile defense in place. The C.I.A. assured your predecessor you would have five years' warning about other nations' weapons development before you would have to deploy a missile defense.

But the C.I.A. record of prediction is poor. President Bush was assured that Saddam would have no nuclear capability for the next 10 years; when we went in after he invaded Kuwait, however, we discovered Iraq to be less than a year away. And India, despite our expensive satellite surveillance, surprised us with its recent explosion.

Six months ago, Congress decided to get a second opinion about our vulnerability. Donald Rumsfeld, a former Defense Secretary, was named to lead a bipartisan Commission to Assess the Ballistic Threat to the United States. Its nine members are former high Government officials, military officers and scientists of unassailable credibility. Cleared for every national secret, these men with command experience had the advantage denied to compartmented C.I.A. analysts.

The unclassified summary of this ''Team B's'' 300-page report was released last week and is a shocker. The direct threat to our population, it concluded, ''is broader, more mature and evolving more rapidly than has been reported in estimates and reports by the intelligence community.''

Not only are Iran and other terrorist states capable of producing a nuclear-tipped missile within five years of ordering it up; they are capable of skipping the testing and fine-tuning we have depended on as our cushion to get defenses up. That means, the commission concluded, the warning time the U.S. will have to develop and deploy a missile defense is near zero.

Let's set aside our preoccupation with executive privileges and hospital lawsuits long

enough to consider the consequences of Team B's judgment. The United States no longer has the luxury of several years to put up a missile defense, as we complacently believe. If we do not decide now to deploy a rudimentary shield, we run the risk of Iran or North Korea or Libya building or buying the weapon that will enable it to get the drop on us.

Rumsfeld's commission was charged only with assessing the new threat and not about what we should do to meet the danger.

Nine serious men concluded unanimously that our intelligence agencies, on which we spend $27 billion a year, are egregiously misleading us. Smiling wanly, the Director of Central Intelligence, George Tenet, responded that ''we need to keep challenging our assumptions.''

Wrong; we need to defend ourselves from the likely prospect of surprise nuclear blackmail. A first step is Aegis, a naval theater defense (named after the goatskin shield of Zeus). But that requires this President to redefine a 1972 treaty with the Soviets that he thinks requires us to remain forever naked to all our potential enemies.

The crisis is not likely to occur as Clinton's sands run out. His successor will be the one to pay—in the coin of diplomatic paralysis caused by unconscionable unpreparedness—for this President's failure to heed Team B's timely warning in 1998

[From the Washington Times, July 20, 1998]

EVERY ROGUE HIS MISSILE

The Commission to assess the Ballistic Missile Threat to the United States delivered its findings to Congress last week, and it would take more than nerves of steel not to find the Commission's report spine-chilling. According to the nine-member bipartisan Commission, the United States could be vulnerable to ballistic missile attack from any number of countries within the next five years. Needless to say, it is not the best boys on the block who look to build ballistic missiles; think North Korea, think Iran, and many other aspiring regional players. Swell, just swell.

But almost as chilling as the findings themselves is the fact that they are completely at odds with the National Intelligence Estimate (NIE) produced by the CIA just 3 years ago, a document that blithely predicted that this threat would surely not be a problem until 15 years down the road. (Or at least, not for the 48 contiguous states, leaving Alaska and Hawaii to fend for themselves.) Not only was the CIA estimate too optimistic to be believed, it was also blatantly political in the sense of providing arguments for the Clinton administration's opposition to a national ballistic missile defense.

At the time, an incredulous Republican Congress mandated a new study to be done, a ''Team B'' approach if you will, an alternative analysis. In January, the Commission, under the leadership of former Secretary of Defense Donald Rumsfeld, sat down with the mandate and the access over a six-month period to look at all the CIA's information and studies. Their conclusions were unanimous, and ought to convince any doubters that the urgent need is there to counter the growing threat from abroad before it is too late.

The language of the 30-page unclassified executive summary (the classified report delivered to the intelligence committees of Congress is five times as long) deserves to be quoted to underline the gravity of the situation:

''Concerted efforts by a number of overtly or potentially hostile nations to acquire ballistic missiles with biological or nuclear payloads pose a growing threat to the United States, its deployed forces and its friends and allies. These newer, developing threats in North Korea, Iran and Iraq are in addition to those already posed by Russia and China, nations with which we are not now in conflict but which remain in uncertain transitions. The newer ballistic missile-equipped nations' capabilities will not match those of U.S. systems for accuracy or reliability. However, they would be able to inflict major destruction on the U.S. within about five years of a decision to acquire such a capability (10 years in the case of Iraq). *During several of those years, the U.S. might not be aware that such a decision had been made.*'' (Emphasis added.)

So, will the Rumsfeld Commission change minds in the White House? It should, but don't hold your breath. The Clinton administration is wedded not to real defense but to an unrealistic policy of arms control by international treaties, which often not only are not enforceable, but may exacerbate the problem. Every time a U.S. ambassador delivers a demarche to Russian or Chinese officials over some piece of proliferation business, we signal how American intelligence works—after which information tends to dry up.

Even more problematic is the fact that the administration is forging ahead with the revision of the Anti-Ballistic Missile (ABM) treaty, seeking implementation of this dubious document before the Senate has approved it, as noted by Thomas Moore of the Heritage Foundation on the opposite page. In fact, most of the administration's resistance to missile defense rests on the notion that this would violate the ABM treaty and offend the Russians, one of the four successor nations that inherited ballistic missiles from the Soviet Union, with which the original treaty was concluded in 1972. Touching as such solicitude for Russian sensitivities may be, it hardly takes into account the fact that Russia is one of the primary sources of proliferation when it comes to missile technology—and precisely one of the problems.

Enough is enough. We have in the Rumsfeld Commission report evidence aplenty that we are facing a serious national security threat. To continue to leave Americans vulnerable is unconscionable.

[From the Washington Times, July 20, 1998]

THE BEST DEFENSE IS A MISSILE DEFENSE

(By Thomas Moore)

On July 15 a Congressional commission headed by former Defense Secretary Donald Rumsfeld and composed of some of America's best strategic analysts released its report on the ballistic missile threat to the United States. Contrary to what the Clinton administration would have us believe, the bipartisan Rumsfeld Commission found that a hostile power could deploy long-range missiles capable of striking the United States with little or no warning. The proliferation of missile components or entire systems might equip a rogue regime with strategic missiles before the intelligence community could alert us in time to respond.

Of course, the best response to the development of such weapons is ballistic missile defense, but the Clinton administration has steadfastly opposed it. In 1995, to deflect criticism of its anti-missile defense posture, the administration tasked the intelligence community to answer skewed questions about the missile threat. These questions were clearly designed to produce an assessment favorable to the president's policies. The result was a National Intelligence Estimate (NIE) assessing the missile threat to the U.S. homeland as 15 years in the future—and incidentally, omitting Hawaii and Alaska from consideration. Garbage in, garbage out, as they say. It was this deeply flawed NIE that forced Congress to create the Rumsfeld Commission.

It should come as no surprise that the White House politicized U.S. intelligence in order to justify its neglect in defending the nation. In fact, President Clinton politicizes everything he touches. In the words of William Kristol, he and his minions subordinate all the purposes and instrumentalities of government to their selfish purposes. This is the real significance of the parade of scandals emanating from the White House. Perhaps the American people are willing to tolerate sexual misconduct in high office as long as the Dow Jones index continues to soar. But they cannot afford to tolerate official misconduct that jeopardizes their safety and survival.

Why does the Clinton administration continue to leave Americans defenseless against the world's deadliest weapons? The failure to counter missiles armed with hyperlethal weapons is incomprehensible, since we now have the technology to do the job, and at an affordable cost. But deliberate vulnerability is the administration's preferred policy. It is without precedent in human history—that a great military and economic power, faced with a dire and growing threat, and possessing the means to protect itself, intentionally chooses to remain vulnerable.

The primary obstacle to missile defense is the 1972 Anti-Ballistic Missile (ABM) treaty with the now defunct Soviet Union. This Cold War relic prohibited each treaty partner from deploying a nationwide missile defense and placed other limits on testing and development, crippling the U.S. missile defense program from the very beginning. The fall of the USSR should have eliminated the ABM Treaty as an obstacle to missile defense. Yet arms control and foreign policy elites, clinging to their old dogmas like pagan priests, have kept the U.S. ensnared in the ABM treaty even though our treaty partner and the Cold War conditions that gave rise to it are long gone.

The Heritage Foundation recently commissioned a study by the Washington law firm of Hunton & Williams which concludes that the ABM treaty legally terminated with the end of the USSR and the resulting absence of a bona fide treaty partner. This conclusion is based on the relevant Constitutional law and international law, and has been vetted by the nation's top legal scholars.

However, the Clinton administration is no wedded to the ABM treaty that it is attempting to solve the problem of no legally valid successor by creating a new ABM treaty. An agreement signed last year in New York would convert the now defunct ABM treaty into a new, multi-lateral agreement with Russia, Ukraine, Belarus and Kazahstan. The administration's new ABM agreement would impose new restrictions on the most promising theater missile defenses as well.

Article II, Section 2 of the U.S. Constitution and other laws require that this new ABM treaty come before the Senate for its advice and consent. But the Clinton administration is quietly implementing it without the Senate's approval. This is official misconduct writ large. If allowed to get away with this breach of the Constitution and statute law, the White House would lock us into vulnerability to ballistic missiles for the foreseeable future. As in the suborning of U.S. intelligence, the White House shows a fundamental contempt for the legal and moral norms which have protected our liberty and security for 200 years and made our system of self-government the envy of the world.

Those who care about America's security and the rule of law must work to make sure

the administration does not succeed in implementing the sweeping new restrictions of the New York accords as a mere executive agreement. Defense Secretary William Cohen has already issued guidance to the Pentagon for compliance with the New York ''demarcation'' agreements on theater missile defenses, systems which were not even covered in the original ABM Treaty. The body which implements the ABM Treaty, the Standing Consultative Commission (SCC), will meet again in Geneva in September. Unless blocked by Congress, that meeting will approve a periodic five-year renewal of the 1972 ABM Treaty and take further steps to harden the New York ABM agreement into a fait accompli. Compounding the offense, the American delegation of the SCC is led by a man who has never received Senate confirmation.

Congress must insist that the White House stop the illegal implementation of the New York ABM agreement and submit it for the Senate's advice and consent in a timely fashion, using all the tools at its disposal if necessary. For example, Congress should amend the relevant appropriations bill to prohibit any funds for ABM treaty-related activities of the SCC until the Senate has had the chance to approve the new ABM package. The Senate can take legislative ''hostages,'' denying confirmation to administration appointees until the White House keeps its promise to submit the new agreements.

The unprecedented refusal of a U.S. president to perform the most important functions of his office—provide for the common defense and uphold the law—confronts the American people with a stark moral and political dilemma. If we are to have no say through our representatives in Congress over policies that put our lives in jeopardy, can we claim any longer to be self-governing citizens of a constitutional republic? The Rumsfeld Commission has sounded a clear warning about the threat of ballistic missiles. But this warning tell us something else—we can no longer cling to the illusion that the character of our leaders doesn't count. If our leaders won't fulfill their most important moral and political responsibilities, then we the people must held them accountable. The ancient Greeks believed that a man's character is his fate. The same may be said of nations.

POLITICAL VOTE AND A POLITICAL DEBATE ON A WOMAN'S RIGHT TO CHOOSE

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 23, 1998

Mr. STARK. Mr. Speaker, I rise today to oppose the vote to override the President's veto of legislation passed by this Congress to criminalize a specific abortion procedure used in catastrophic pregnancies. Make no mistake about it, this is a political vote and a political debate—a debate fraught with inflammatory rhetoric and distorted facts.

The fact is, there is no medical procedure called a ''partial birth abortion''—that's a name made up by opponents of choice to distort the issue. What we're talking about is a procedure used in late term catastrophic pregnancies, when the fetus has a horrible abnormality, or the pregnancy seriously threatens the mother's life or health.

The vote to override the President's veto of this bill is a blatant attempt to shelter the hypocrisy of the abortion debate—that the strongest opponents of the right to choose also oppose programs promoting comprehensive sex education and birth control, which actually reduce unintended pregnancies. Instead, anti-choice Members of Congress would make access to family planning options more difficult, more dangerous, more expensive, and more humiliating. A vote to override the President's veto would threaten doctors with fines and imprisonment, and prevents not one teen pregnancy.

Doctors, not politicians, must decide what medical treatments are the best for these patients. Doctors use this procedure when they believe it is the safest way to end a pregnancy and leave the woman with the best chance to have a healthy baby in the future. Congress should not second-guess their medical judgment.

I ask my colleagues in the majority, who often express their disdain at the federal government's involvement in their personal lives, to oppose the veto override. It doesn't get more personal than this.

SECURITIES LITIGATION UNIFORM STANDARDS ACT OF 1998

SPEECH OF

HON. JANE HARMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 23, 1998

Ms. HARMAN. Mr. Speaker, as an original cosponsor of H.R. 1689, this day has been a long time coming.

I first want to commend the chairmen and ranking members of the relevant committees, as well as my friend and colleague, ANNA ESHOO, for their leadership.

Mr. Speaker, in 1995, Congress enacted, over the President's veto, the Securities Litigation Reform Act. This act limits the opportunities to bring abusive and frivolous class action suits—suits which divert precious financial resources from leading-edge high technology companies. The act continues protections for investors against genuine fraud, as it should, but protects forward-looking statements made by companies issuing nationally-traded securities from strike suits.

With ''strike'' suits in Federal courts less likely to succeed, a new venue has been increasingly used—State courts. Such suits potentially have the same chilling effect as those previously brought in Federal court—until today.

The measure before us, the Securities Litigation Uniform Standards Act, sets forth clear and uniform standards for bringing securities class actions under State law and would generally proscribe bringing a private class action suit involving 50 or more parties except in Federal court.

Mr. Speaker, enactment of this measure should complete an important reform initiated in 1995. Securities litigation needed reform. The future of our Nation's competitive advantage in the world lies in our ability to develop products and services that are on the leading edge of technology and research. The business ventures which undertake such activities are among the fastest growing sectors of our economy. Indeed, in many places in our country, including California's 36th District, they are the pride of our economy.

But if these business ventures are saddled by the costs and distractions of unwarranted lawsuits, filed when stock prices fluctuate for reasons often beyond the control of business management, the consequences are to chill economic growth. Despite the absence of wrongdoing by managers, corporations are essentially forced to pay large sums to avoid even larger expenses associated with their legal defense. The ultimate loser, of course, is the individual long-term investor whose share value was diminished as a result of these suits.

Mr. Speaker, let me assure my colleagues that the reform measure before us continues to protect investors. It recognizes the important role the private litigation system has played in maintaining the integrity of our capital markets. Yet, at the same time, the bill recognizes that forum shopping cannot be a new pathway for enterprising parties to gain new profits. The rights of the aggrieved investor to seek justice and restitution is maintained, while the opportunity to manipulate procedures to the detriment of the company and legitimate investors is hopefully ended.

The Securities Litigation Uniform Standards Act is supported by the Securities and Exchange Commission and the administration and I urge its support.

THE GROWING U.S. TRADE DEFICIT WITH CHINA AND JAPAN

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 24, 1998

Mr. LIPINSKI. Mr. Speaker, I rise today to speak about our rapidly growing trade deficit with China and Japan and to strongly urge the Administration to take stronger measures to lower foreign trade barriers to American goods and services.

China and Japan are this nation's largest deficit trading partners. In 1997, our respective trade deficits with China and Japan were $53 billion and $58.6 billion. That's a combined deficit of over $110 billion. Needless to say, but nevertheless an important issue to emphasize, the massive trade deficits with Japan and China costs us billions of dollars of exports and tens of thousands—even hundreds of thousands of jobs.

The Administration bears a large part of the blame by deferring to our deficit trading partners during negotiations instead of being more aggressive in promoting fair trade agreements that advance the interests of American workers. It's not as if the Administration does not have the tools to force foreign nations to open up their markets. They do. Section 301 of the Trade Act of 1974 comes to mind. It just seems to me that they lack the will and initiative. Do they even care about the great American middle class, or are they just pandering for political posturing?

I strongly believe with all of my heart that the Administration can do more to open up foreign markets, especially with our largest deficit trading partners: China and Japan. Section 301 is a powerful tool in our arsenal. Congress gave it to the executive branch, but this Administration has been extremely reluctant to